

~~programmed to displaying~~ to the user the number of ~~credits~~ points needed to satisfy a transaction proposed by the user.

REMARKS

This Amendment is made in response to the Office Action dated December 22, 2004. A Request for Extension of Time is enclosed herewith to permit the filing of this Amendment in the first month.

With respect to Paragraphs 3 and 4 of the outstanding Office Action, Applicants respectfully assert that the objected to informalities have been overcome. In particular, the term "royalty" has been correctly spelled as "loyalty". With respect to Claims 27-32, the recitation of "method" in the first line of each of these claims has been replaced by the word "system".

Applicants respectfully assert that the Examiner has failed to construct a record that satisfies the "sufficient evidence" standard to support his rejection of Claims 1-3, 7, 8, 14-18, 20, and 22-32 as being anticipated by U.S. Patent No. 6,594,640 of Postrel ("the Postrel Patent"). In particular, the Examiner has failed to show that the cited Call Patent discloses each element of the rejected claims. The Supreme Court has held that decisions of the U.S. Patent and Trademark Office (USPTO) must meet a new burden of proof. *Dickenson v. Zurko*, 527 U.S. 150, 50 USPQ2d 1930 (1999). The Federal Circuit now reviews findings of fact under the "substantial evidence" standard of the Administrative Procedure Act ("APA") to support a conclusion that a claim at issue is unpatentable. *In re Gartside*, 203 F.3d 1305, 1315, 53 USPQ2d 1769, 1775 (Fed. Cir. 2000). To satisfy the "substantial evidence"

standard and, therefore, establish a *prima facie* case of anticipation under 35 U.S.C. 102, the USPTO and the Examiner have the initial burden of establishing unpatentability. *In re Mullin*, 481 F.2d 1333, 1336, 179 USPQ 97, 100 (CCPA 1973). The USPTO (whether an Examiner or the Board of Patent Appeals and Interferences ("Board")) must make the necessary findings of fact to construct an administrative record containing evidence to support these findings, accompanied by reasons to support a conclusion of unpatentability. *In re Kotzab*, 217 F.3d 1365, 55 USPQ2d 1313 (Fed. Cir. 2000); *In re Zurko*, 258 F.3d 1379, 59 USPQ2d 1693 (Fed. Cir. 2001) ("*Zurko IV*"). After the *Zurko IV* decision, whether a rejection on prior art is sustained by the Federal Circuit depends on whether the USPTO has made an adequate record.

Independent Claim 1

The entire record made by the Examiner (see Page 3, Line 20-Page 4, Line 12 of the December 22, 2004 Office Action to support his §102(e) rejection of **Claim 1** based upon the Postrel Patent is reproduced as follows:

Claim 1: Postrel discloses a method for tracking and converting loyalty points from a plurality of loyalty programs, comprising:

- a. Obtaining the number of loyalty program award points awarded to a user under a plurality of loyalty programs (col 1, lines 14-29 and col 3, lines 30-40 and 58-60);
- b. Converting the user's award points from the plurality of loyalty programs into a common credit (col 3, lines 30-40; col 9, lines 10-12; and col 10, lines 18-20;
- c. Providing access to a retailer that provides discounts based on the common credit (col 7, lines 1-41);
- d. Calculating the discount off the price of a selected product or service offered by the retailer (col 7, lines 1-41); and
- e. Applying the discount to the price of the product or service purchased by the user (col 7, lines 1-41).

With respect to the **Preamble** of Claim 1, the Examiner fails to specify that this claim is directed to a method for converting loyalty program award points to system-wide credits. Applicants respectfully assert that the Postrel Patent is silent as to any teaching of the recited system-wide credits. With respect to **Claim recitation 1(a)**, the Examiner relies upon col 1, lines 14-29 and col 3, lines 30-40 and 58-60 for “obtaining the number of loyalty program award points awarded to a user,” but fails to specify any disclosure that “the first loyalty program points differing in value from the second loyalty program points.” Applicants respectfully assert that the portions of the Postrel Patent noted above do not disclose that the first points may differ in value from the second points. With respect to **Claim recitation 1(b)**, the Examiner cites col 3, lines 30-40; col 9, lines 10-12; and col 10, 18-20 to show the conversion of loyalty program points into “system-wide credits of common value.” Applicants respectfully assert that the cited portions of the Postrel Patent do not disclose the conversion of royalty program award points into “system-wide credits of a common value.” With respect to **Claim recitation 1(c)**, the Examiner cites col 7, lines 1-41 for a disclosure that the retailer provides discounts based on the common credit. Applicants respectfully assert that the noted portions of the Postrel Patent do not disclose providing “the user on-line access to at least one retailer that provides discounts for products or services based on the system-wide credits.” With respect to **Claim recitation 1(d)**, the Examiner cites (col 7, lines 1-41) for showing the “calculating the discount off the price.” Applicants’ review of the cited portion of the Postrel Patent fails to show the “calculating the discount off of the price of the product or service”. With respect to **Claim recitation 1(e)**, the Examiner relies upon (col 7, lines 1-41) to disclose “applying the discount to the price of the product or service.”

Applicants' review of the cited columns fails to show the quoted recitation of "applying the discount to the product price."

Claim 2 Dependent From Claim 1 and Claim 3 Dependent from Claim 2

Claims 2 and 3 are variously dependent from independent Claim 1, which as shown above is not anticipated by the Postrel Patent. Because each of Claims 2 and 3 are both dependent from Claim 1 which is not anticipated, Claims 2 and 3 are likewise not anticipated.

Claim 7 Dependent From Claim 3

The entire record constructed by the Examiner (see Page 4, Lines 19-21, of the December 22, 2004 Office Action) to support his rejection under §102(e) of Claim 7 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 7: Postrel discloses a method for tracing and converting loyalty points as in Claim 3 above, and further discloses using the payment information to complete the purchase (col 6, lines 1-52 and col 7, lines 25-41).

The applicants respectfully assert that the identified portion of the Postrel Patent does not disclose "providing the payment information of the user to the one retailer".

Claim 8 Dependent on Claim 1

The entire record made by the Examiner (see Page 5, Lines 1-3 of the December 22, 2004 Office Action) to support his rejection under §102(e) of Claim 8 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 8: Postrel discloses a method for tracking and converting loyalty points as in Claim 1 above, and further discloses updating the user's credit balance after the purchase of the product or service (col 6, lines 1-52 and col 7, lines 25-41).

Applicants respectfully assert that the portions relied upon by the Examiner as identified above do not disclose Claim 8's recitation of "updating the balance of the users' system-wide credits after the purchase of a product and/or service by the user". In particular, the Postrel Patent does not disclose the use of Applicants' "system-wide credits".

Claim 14 Dependent on Claim 1

The entire record made by the Examiner (see Page 5, Lines 4-6 of the December 22, 2004 Office Action) to support the rejection under §102(e) of Claim 14 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 14: Postrel discloses a method for tracking and converting loyalty points as in Claim 1 above, and further discloses displaying the current status of the user's credits to the user (col 8, line 65 – col 9, line 1).

Applicants assert that the record as noted above with respect to Claim 14 does not disclose "user credits" much less the "displaying the current status of the users' system-wide credits".

Claim 15 Dependent on Claim 1

Claim 15 is dependent on Claim 1, which is deemed as explained above to not be anticipated by the Postrel Patent for the reasons stated above with respect to Claim 1.

Applicants respectfully assert that Claim 15 is likewise not anticipated.

Claim 16 Dependent upon Claim 15

The entire record made by the Examiner (see Page 5, Lines 10-13, of the December 22, 2004 Office Action) to support his rejection under §102(e) of Claim 16 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 16 Postrel discloses a method for tracking and converting loyalty points as in Claim 15 above, and further discloses updating the award

points as a batch communication with the remote server in that all of the accounts will be updated at the same time (col 7, lines 25-41).

Applicants assert that the portion of the Postrel Patent set out above does not disclose that the “updating the award points of at least one of the users while the program is effected as a batch communication with a remote server”. Applicants note that the Examiner’s record with respect to Claim 16 fails to disclose the effect of carrying out the updating of the points “as a batch communication with a remote server.”

Claim 17 Dependent From Claim 16

The entire record made by the Examiner (see Page 5, Lines 14-16, of the Office Action dated December 22, 2004) to support his rejection under §102(e) of Claim 17 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 17: Postrel discloses a method for tracking and converting loyalty points as in Claim 16 above, and further discloses verifying (confirming) the award points (col 7, lines 14-19).

Applicants assert that the record identified above by the Examiner with respect to Claim 17 does not disclose the “step of verifying the awards points of the user via communication with a remote server.”

Claim 18 Dependent on Claim 1

The entire record made by the Examiner (see Page 5, Lines 17-19, of the December 22, 2004 Office Action) to support his rejection under §102(e) of Claim 18 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 18: Postrel discloses a method for tracking and converting loyalty points as in Claim 1 above, and further discloses providing information about products or services for sale to the user via communication with the retailer (col 7, lines 1-10).

Applicants assert that the record noted above by the Examiner fails to disclose the “providing the information regarding the products or service for sale to the user via communication with the one retailer of the product or services.”

Claim 20 Dependent on Claim 1

Claim 20 is dependent upon Claim 1 which, as discussed above, is deemed to be not anticipated by the Postrel Patent. Thus, dependent Claim 20 is also deemed to be not anticipated by the Postrel Patent.

Claim 22 Dependent on Claim 1

The entire record made by the Examiner (see Page 6, Lines 1-4, of the December 22, 2004 Office Action) to support his rejection under §102(e) of Claim 22 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 22: Postrel discloses a method for tracking and converting loyalty points as in Claim 1 above, and further discloses converting the award points into a proportionate number of system-wide credits (conversion rate) (col 9, lines 9-12 and col 10, lines 18-20).

Applicants assert that the record identified above by the Examiner with respect to Claim 22 does not disclose the “converting the user’s possessive award points into the system-wide credits comprises calculating from the user’s award points in one of the first and second loyalty programs a proportionate number of the system-wide credits.”

Independent Claim 23

The entire record made by the Examiner (see Page 6, Lines 5-14, of the December 22, 2004 Office Action) to support his rejection under §102(e) of Claim 23 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 23: Postrel discloses a system for tracking and converting loyalty points, comprising:

- a. A database for maintaining credit balances of a user (Figure 5, item 54);
- b. An interactive communication link to a loyalty program to which the user has subscribed (Figure 5 and col 5, lines 3-60);
- c. An interactive communication link to at least one vendor of a product or service (Figure 5 and col 5, lines 3-50); and
- d. Computerized means for reducing the credit balance approximately proportional to a discount offered by the vendor (col 5, lines 3-50).

With respect to the first and second recitations of Claim 23, which were added to this claim by the present Amendment, the Postrel Patent does not disclose the “converting the user’s award points issued by the plurality of royalty programs into system-wide credits of a common value.” Further, the Postrel Patent does not disclose the second recitation of Claim 23, which reads “a credits database for storing the balance of the system-wide credits for each user associated with one of the plurality of royalty programs.” In particular, the Postrel Patent does not disclose the use of credits, much less a database for storing these credits.

The last recitation of Claim 23, which was added by this Amendment, recites “a terminal for each of the plurality of vendors for facilitating its vendor to access at least one of the balances of system-wide credits.” In particular, the Postrel Patent does not disclose a relationship with vendors, much less the accessing of the credit balances in the credits database.

Claim 24 Dependent on Claim 23, Claim 25 Dependent on Claim 23, and Claim 26 Dependent on Claim 1

Each of Claims 24 and 25 is dependent upon Independent Claim 23, which is deemed as discussed above to not be anticipated by the Postrel Patent. Claim 26 is dependent on Claim 1, which is deemed to not be anticipated by the Postrel Patent as

discussed above. Thus, each of the Claims 24, 25 and 26 is dependent upon a claim which is not anticipated and, likewise, is not anticipated.

Claim 27 Dependent on Claim 23

The entire record made by the Examiner (see Page 7, Lines 4-7, of the December 22, 2004 Office Action) to support his rejection under §102(e) of Claim 27 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 27: Postrel discloses a system for tracking and converting loyalty points as in Claim 23 above, and further discloses enabling the user to select the number of credit (sic) from each of the plurality of loyalty programs to redeem as common credits (col 7, line 1 – col 8, line 3).

Applicants assert that the designated portion of the Postrel Patent does not disclose the enabling of the user “to select the number of system-wide credits from each of the royalty programs to redeem the items as selected by the user.” In particular, Postrel does not disclose the use of system-wide credits.

CLAIM 28 DEPENDENT ON CLAIM 23

The entire record made by the Examiner (see Page 7, Lines 8-11, of the December 22, 2004 Office Action) to support his rejection under §102(e) of Claim 28 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 28: Postrel discloses a system for tracking and converting loyalty points as in Claim 23 above, and further discloses the points for each of the plurality of loyalty programs being stored as separate files showing the current balance therein (col 7, line 1 – col 8, line 3).

Claim 28 is dependent from Claim 23, which as discussed above, is deemed to be not anticipated by the Postrel Patent. Therefore, Claim 28 which is dependent from Claim 23 is likewise deemed to not be anticipated by the Postrel Patent.

Claim 29 Dependent on Claim 23

The entire record made by the Examiner (see Page 7, Lines 12-14, of the December 22, 2004 Office Action) to support the rejection under §102(e) of Claim 29 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 29: Postrel discloses a system for tracking and converting loyalty points as in Claim 23 above, and further discloses the merchant is enabled to determine whether the transaction is eligible to be exchanged for the common credits (col 7, lines 1-41).

Applicants assert that the record created above by the Examiner with respect to Claim 29 does not disclose that a “vendor is enabled to determine whether a user’s transaction is eligible to be exchanged for the common credits” and, therefore, is deemed not to be anticipated by the Postrel Patent.

Claim 30 Dependent on Claim 23

The entire record made by the Examiner (see Page 7, Lines 15-17, of the December 22, 2004 Office Action) to support his rejection under §102(e) of Claim 30 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 30: Postrel discloses a system for tracking and converting loyalty points as in Claim 23 above, and further discloses the vendor setting the value of the product in common credits (col 7, lines 1-41).

Applicant asserts that the record created above by the Examiner with respect to Claim 30 fails to disclose that “the vendor is enabled to determine the number of system-wide credits.” In particular, Applicants assert that Postrel does not disclose such a vendor or that the vendor can determine the number of credits.

Claim 31 Dependent on Claim 23

The entire record made by the Examiner (see Page 7, Lines 18-20, of the December 22, 2004 Office Action) to support his rejection under §102(e) of Claim 31 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 31: Postrel discloses a system for tracking and converting loyalty points as in Claim 23 above, and further discloses one of the servers calculating the number of common credits needed to achieve a desired discount for the user (col 7, lines 1-41).

Applicants assert that the record created above by the Examiner with respect to Claim 31 does not disclose that, “the vendor is enabled to calculate the number of system-wide credits that are required to achieve a desired discount for the user.” In particular, the Postrel Patent fails to disclose the use of system-wide credit much less that that number is calculated to achieve a desired discount for the user.

Claim 32 Dependent on Claim 23

The entire record made by the Examiner (see Page 8, Lines 1-3, of the December 22, 2004 Office Action) to support the recitation under §102(e) of Claim 32 as being anticipated by the Postrel Patent is reproduced as follows:

Claim 32: Postrel discloses a system for tracking and converting loyalty points as in Claim 23 above, and further discloses displaying to the user the number of common credits needed to satisfy the transaction (col 8, line 65 – col 9, line 1).

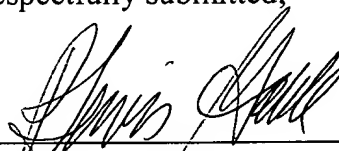
It is respectfully asserted that Claim 32 is dependent upon Claim 23, which is deemed to be not anticipated by the Postrel Patent. Therefore, Applicant asserts that Claim 32 is likewise deemed to be not anticipated by the Postrel Patent.

In the above discussion, Applicant has demonstrated that each of the independent claims 1 and 23, as well as the dependent claims 2, 3, 7, 8, 14-18, 20, 22 and 24-32 recite at

least one recitation that is not disclosed by the Postrel Patent. Thus, it is clear that the *Hybritech* decision of the CAFC requires the Examiner show that a single reference, i.e., the Postrel Patent, must teach all of the elements of a claim. If not, the Examiner has failed to establish that standard of evidence sufficient to reject Applicant's claim. In addition, the remaining dependent claims 2, 3, 7, 8, 14-18, 20, 22 and, 24-32 are dependent from claims which are deemed not to be anticipated and, therefore, are likewise deemed to not be anticipated by the Postrel Patent.

In view of the above discussion, Applicant respectfully asserts that all of the claims now presented in this application are in condition for allowance, which action is respectfully requested. If the Examiner is unable to allow this application, he is requested to place a telephone call to the undersigned to suggest those changes whereby this application may be speedily prosecuted to issuance.

Respectfully submitted,



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